

**Proposed Substitute
Bill No. 6512**

January Session, 2021

LCO No. 5919

**AN ACT CONCERNING CONSUMER PROTECTIONS FOR SPORTS
WAGERING.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this
2 section:

3 (1) "Electronic wagering platform" means the combination of
4 hardware, software and data networks used to manage, administer,
5 offer or control online sports wagering, including through an Internet
6 web site or a mobile device application;

7 (2) "Sporting event" means (A) any sporting or athletic event at which
8 two or more persons participate and receive compensation in excess of
9 actual expenses for such participation in such sporting or athletic event,
10 (B) any sporting or athletic event sponsored by an intercollegiate athletic
11 program of an institution of higher education, or (C) e-sports. "Sporting
12 event" does not include horse racing or any sporting or athletic event
13 sponsored by a minor league or high school;

14 (3) "Sports governing body" means the organization that prescribes
15 final rules and enforces codes of conduct with respect to a sporting event
16 and participants in the sporting event; and

17 (4) "Sports wagering" means risking or accepting any money, credit,

18 deposit or other thing of value for gain contingent in whole or in part
19 on (A) a sporting event or a portion or portions of a sporting event, or
20 (B) the individual performance statistics of an athlete or athletes in a
21 sporting event or a combination of sporting events. "Sports wagering"
22 does not include the payment of an entry fee to play fantasy contests, as
23 defined in section 12-578aa of the general statutes;

24 (b) (1) No individual shall place a wager on a sporting event with an
25 operator of sports wagering unless such individual is at least twenty-
26 one years of age and is physically present in this state when placing such
27 wager.

28 (2) No individual who is an operator of sports wagering or an
29 electronic wagering platform or, an officer, a director, an owner or an
30 employee with the ability to influence the sports wagering operations of
31 such an operator, and no family member of such individual who resides
32 in the same household as such individual, shall place any wager on a
33 sporting event with an operator of sports wagering.

34 (3) No athlete, coach or referee who takes part in a sporting event
35 overseen by a sports governing body; employee of a sports governing
36 body holding a position that may allow such employee to exert
37 influence over participants in a sporting event; owner or employee of a
38 sports governing body's member teams; or personnel of any bargaining
39 unit of a sports governing body's athletes or referees, shall place any
40 wager on any sporting event overseen by such governing body or hold
41 an ownership interest in or exert control over any operator of sports
42 wagering. In determining which individuals are prohibited from
43 placing a wager under this subdivision, an operator of sports wagering
44 shall use any information known by the operator, including any lists
45 provided by the relevant sports governing body or the Department of
46 Consumer Protection.

47 (4) No individual with access to nonpublic, confidential information
48 that could affect the outcome of a sporting event shall place any wager
49 on such sporting event with any operator of sports wagering.

50 (5) No individual shall place any sports wager as an agent or a proxy
51 for another individual.

52 (6) No operator of sports wagering may pay a prize to any individual
53 who such operator knows is prohibited from placing a wager pursuant
54 to this subsection.

55 (c) Each operator of sports wagering shall:

56 (1) Verify that an individual placing a wager on a sporting event
57 through an electronic wagering platform is not prohibited from doing
58 so pursuant to subsection (b) of this section;

59 (2) Prohibit an individual from establishing more than one account
60 and establish commercially and technologically reasonable measures to
61 verify identity and ensure compliance with the provisions of this
62 section;

63 (3) Allow an individual to withdraw funds from such individual's
64 account, and, at the individual's request permanently close the account;

65 (4) Publish all contractual terms, conditions and rules applicable to
66 sports wagering (A) on such operator's Internet web site or mobile
67 application, if conducting online sports wagering, and (B) at any of such
68 operator's facilities where sports wagering in person is conducted;

69 (5) Develop and publish procedures allowing an individual to file a
70 complaint with the operator in person, in writing, online or by other
71 means about any aspect of the sports wagering conducted by such
72 operator;

73 (6) If conducting online sports wagering, conspicuously display on
74 such operator's sports wagering Internet web site or mobile application:

75 (A) A link to the protections afforded individuals by the provisions
76 of this section;

77 (B) A link to responsible gambling information;

78 (C) A toll-free telephone number an individual may use to obtain
79 information about problem gambling;

80 (D) A link to information about the self-exclusion process described
81 in subsection (f) of this section;

82 (E) A clear display or periodic pop-up message of the amount of time
83 an individual has spent on the operator's Internet web site or mobile
84 application;

85 (F) A means to initiate a break in play to discourage excessive play;
86 and

87 (G) A clear display of the amount of money available in the account
88 of the individual who is placing wagers.

89 (d) Each operator of sports wagering shall maintain the security of
90 wagering data, data concerning individuals placing wagers on sporting
91 events and other confidential information to prevent unauthorized
92 access to and dissemination of such data and information. An operator
93 of sports wagering shall not disclose or sell any wagering information
94 from an individual placing wagers on sporting events with such
95 operator, and shall not disclose records that directly or indirectly
96 identify such an individual or such individual's gambling habits, except
97 that such operator shall regularly share records, at the account level and
98 in pseudonymous form, with the Department of Consumer Protection
99 with respect to wagers on sporting events placed with such operator.

100 (e) Each operator of sports wagering shall develop and publish a
101 policy on responsible gambling, which shall, at a minimum, require the
102 operator to:

103 (1) Track its sports wagering activity at the account level;

104 (2) Provide training to employees to allow them to identify
105 individuals placing sports wagers who have problems with gambling;
106 and

107 (3) Provide guidelines on how employees can respond appropriately
108 to (A) an individual who is in crisis or distress due to problem gambling,
109 (B) an individual who discloses that he or she may have a problem with
110 gambling, and (C) a person who shares information about an individual
111 who may have a problem with gambling.

112 (f) (1) Each operator of sports wagering shall allow any individual to
113 exclude himself or herself from placing a sports wager or limit the
114 amount of money such individual may use to place sports wagers with
115 such operator, and, on and after the date the operator is notified by such
116 individual of such exclusion or limit, shall take reasonable steps to
117 prevent such individual from placing sports wagers or exceeding such
118 limit, as the case may be. During the time period applicable to any such
119 exclusion from placing a sports wager or limit on the amount of money
120 an individual may use to place sports wagers with an operator of sports
121 wagering, such operator, (A) may, at the request of the individual,
122 extend the time period of such exclusion or limit, or decrease the amount
123 of such limit, and (B) may not reduce the time period of such exclusion
124 or limit or increase the amount of such limit.

125 (2) Each operator of sports wagering shall publish information on the
126 provisions of this subsection and how an individual may exclude
127 himself or herself from placing a sports wager or limit the amount of
128 money such individual may use to place sports wagers with such
129 operator. The operator shall conspicuously display such information (A)
130 at any facility where such operator conducts sports wagering in person,
131 and (B) on the operator's sports wagering Internet web site or mobile
132 application, if the operator conducts online sports wagering.

133 (g) No operator of sports wagering may, as a condition of placing a
134 wager with such operator, require any individual to waive any
135 provision of this section or the right to pursue legal action or file a
136 complaint with the Department of Consumer Protection.

137 (h) No advertisement of sports wagering may: (1) Depict an
138 individual under twenty-one years of age, unless such individual is a
139 professional athlete or a collegiate athlete who, pursuant to an

140 agreement with the advertiser, is able to profit from the use of his or her
141 name and likeness; (2) be aimed exclusively or primarily at individuals
142 under twenty-one years of age; (3) promote irresponsible or excessive
143 participation in sports wagering; or (4) misrepresent the chances of
144 winning or be misleading about the outcomes of sports wagering. Each
145 advertisement of sports wagering shall include information concerning
146 assistance that is available for individuals who have, or are at risk of
147 having, problems with gambling.

148 (i) Each operator of sports wagering shall take reasonable steps to
149 prevent the conduct prohibited under this section and to comply with
150 any regulations adopted pursuant to subsection (k) of this section.

151 (j) (1) Each operator of sports wagering shall immediately report to
152 the Commissioner of Consumer Protection any information relating to
153 (A) criminal or disciplinary proceedings commenced against such
154 operator or an employee of such operator in connection with its
155 operations, (B) abnormal wagering activity or patterns that the operator
156 believes may indicate a concern with the integrity of a sporting event,
157 (C) any other conduct that corrupts the wagering outcome of a sporting
158 event for purposes of financial gain, including match-fixing, and (D)
159 suspicious or illegal wagering activities, including the use of funds
160 derived from illegal activity to place a wager, the placing of a wager to
161 conceal funds derived from illegal activity, the use of an agent or a proxy
162 to place a wager or the use of false identification to place a wager.

163 (2) The Commissioner of Consumer Protection may share with the
164 relevant sports governing body any information relating to conduct
165 described under subparagraphs (B) and (C) of subdivision (1) of this
166 subsection.

167 (k) The Commissioner of Consumer Protection shall adopt
168 regulations, in accordance with the provisions of chapter 54 of the
169 general statutes, including emergency regulations pursuant to section 4-
170 168 of the general statutes, to implement the provisions of this section
171 and as necessary to protect the public interest in the integrity of sports
172 wagering and reduce the dangers of unsuitable, unfair or illegal

173 practices, methods and activities in the conduct of sports wagering.
174 Such regulations shall include, but need not be limited to, provisions
175 regarding: (1) The types of sporting events upon which sports wagers
176 may be placed or accepted; (2) the minimum amount of cash reserves to
177 be maintained by operators of sports wagering; (3) the acceptance of
178 wagers on a series of sporting events; (4) the maximum wagers which
179 may be accepted by an operator of sports wagering from any one
180 individual on any one sporting event; (5) the type of wagering tickets
181 which shall be used; (6) the method of issuing tickets; (7) minimum
182 accounting standards for an operator of sports wagering; (8) the types
183 of records which shall be maintained by an operator of sports wagering
184 and available for inspection upon the request of the commissioner; (9)
185 requirements for information and reports from an operator of sports
186 wagering to enable effective auditing of such an operator; (10)
187 requirements for establishing and funding a sports wagering account;
188 (11) minimum qualifications for a provider of sporting events data; (12)
189 minimum requirements to ensure the security and integrity of an
190 electronic wagering platform and collection of information and reports
191 to enable effective oversight; (13) the regular sharing of account level
192 records with the department; (14) displays and messages on an
193 operator's sports wagering Internet web site or mobile application
194 aimed at combatting problem gambling; and (15) the advertising of
195 sports betting, including to ensure compliance with the requirements of
196 subsection (h) of this section and to require inclusion of information
197 about gambling addiction or links to Internet web sites to resources
198 related to gambling addiction.

199 (l) The provisions of this section shall not be effective until (1) an
200 authorization to operate sports wagering outside of Indian lands, as
201 defined in the Indian Gaming Regulatory Act, 25 USC 2703(4), is
202 effective pursuant to any provision of the general statutes or a public or
203 special act, and (2) the regulations required by subsection (k) of this
204 section are effective.

205 Sec. 2. (*Effective from passage*) (a) The Department of Consumer
206 Protection shall, not later than October 1, 2021, issue a request for

207 proposals for a consultant to conduct a study of the Connecticut Lottery
208 Corporation, established pursuant to section 12-802 of the general
209 statutes. The study shall include an examination of the organizational
210 structure, operations and finances of the corporation and the regulatory
211 relationship between the corporation, the corporation's board of
212 directors and the department. The consultant's report may include
213 recommendations to:

214 (1) Improve the security and integrity of lottery games and any other
215 forms of gaming conducted by the corporation;

216 (2) Create a culture within the corporation that encourages
217 compliance with the statutes and regulations governing the corporation
218 and its activities;

219 (3) Promote transparency and accountability to the public in the
220 corporation's operations and activities;

221 (4) Improve the corporation's internal operations, in order to enhance
222 revenue, promote innovation, appropriately invest in staff development
223 and focus on technological enhancements, security and gaming
224 integrity and customer service;

225 (5) Use metrics to regularly review the performance of the president
226 and other executive staff of the corporation to promote transparency,
227 improved communications, customer service and regulatory
228 compliance in the corporation's operations;

229 (6) Strengthen and improve the regulatory oversight of the
230 department;

231 (7) Strengthen communication and transparency between the board,
232 corporation and department; and

233 (8) Develop a strategic plan focusing on the corporation's internal
234 operations, investment in technology and system security, revenue
235 growth, customer service, relationships with lottery retailers, portfolio
236 of gaming activities, responsible gambling education and outreach,

237 innovation, gaming integrity and regulatory compliance.

238 (b) In selecting a consultant, the department shall give preference to
239 a person responding to the request for proposals who has:

240 (1) A demonstrated understanding of how laws and regulations
241 affect corporate culture and operations;

242 (2) Experience in creating and maintaining a business culture that
243 ensures regulatory compliance, including an understanding of how
244 corporate managers and board members can use different strategies to
245 encourage such a culture;

246 (3) Familiarity with lottery operations; and

247 (4) Experience analyzing business management and operational
248 structures, including an ability to assess a corporation's financial
249 commitment to staff development, security and technological
250 safeguards and innovation.

251 (c) Not later than October 1, 2022, the consultant shall submit a report
252 of its recommendations to the department, corporation and, in
253 accordance with the provisions of section 11-4a of the general statutes,
254 to the joint standing committee of the General Assembly having
255 cognizance of matters relating to public safety and security.

256 Sec. 3. Section 12-565a of the general statutes is repealed. (*Effective*
257 *from passage*)

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage</i> | New section |
| Sec. 2 | <i>from passage</i> | New section |
| Sec. 3 | <i>from passage</i> | Repealer section |